

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IOWA-AMERICAN WATER COMPANY	DOCKET NOS. RPU-2013-0002, TF-2014-0039
---	--

ORDER APPROVING COMPLIANCE FILING

(Issued April 18, 2014)

On February 28, 2014, the Utilities Board (Board) issued its final decision and order in Iowa-American Water Company's rate proceeding (Iowa-American), identified as RPU-2013-0002. In its final order, the Board ordered Iowa-American to file compliance tariffs which, among other things, would recover all public fire costs and 25 percent of private fire costs through general metered services rates; the Board directed that half of these costs be recovered through the fixed monthly charge and half through volumetric rates.

On March 6, 2014, Iowa-American filed its proposed compliance rates, identified as TF-2014-0030. On March 11 and 18, 2014, Iowa-American filed additional information supporting its compliance filing. The Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an objection to the proposed compliance rates on March 18, 2014.

The Board issued an order on April 7, 2014, rejecting Iowa-American's compliance filings. The Board, among other things, said that recovering the applicable fire-related costs through the customer charge based on the number of

customers (rather than meter equivalents) was contrary to the Board's final order. The Board also said that Iowa-American did not appropriately spread the volumetric portion of fire-related costs across all four rate blocks.

On April 9, 2014, Iowa-American filed new compliance tariff filings, identified as TF-2014-0039. Iowa-American filed revisions to the proof of revenue calculation on April 16, 2014. These filings are intended to comply with the Board's February 28 and April 7, 2014, orders.

On April 17, 2014, Consumer Advocate filed a response. Consumer Advocate said it did not object to Iowa-American's April 9, 2014, compliance filings, as revised on April 16, 2014.

In the revised compliance filings, Iowa-American has appropriately spread the portion of fire costs to be paid by all customers through the customer charge, based on meter equivalents, and the volumetric charge, by applying a portion of the fire-related costs to all four rate blocks. Iowa-American's April 9, 2014, filing, as revised on April 16, 2014, is in compliance with the Board's orders and will be approved.

IT IS THEREFORE ORDERED:

The compliance tariff filing made by Iowa-American Water Company on April 9, 2014, and revised on April 16, 2014, identified as TF-2014-0039, is approved, effective as of the date of this order, subject to complaint or investigation.

UTILITIES BOARD

/s/ Elizabeth S. Jacobs

/s/ Nick Wagner

ATTEST:

/s/ Joan Conrad _____
Executive Secretary

Dated at Des Moines, Iowa, this 18th day of April 2014.